

MATTHEW W. GRIMSHAW, SBN 210424
GRIMSHAW LAW GROUP, P.C.
130 Newport Center Drive, Ste. 140
Newport Beach, California 92660
Tel: (949) 734-0187
Email: matt@grimshawlawgroup.com

BILL ROBINS III, SBN 296101
ROBERT T. BRYSON, SBN 156953
KEVIN POLLACK, SBN 272786
ROBINS COULD LLP
808 Wilshire Blvd., Ste. 450
Santa Monica, CA 90401
Tel: (310) 929-4200
Email: rbryson@robinscloud.com

Attorneys for Certain Post-Petition Tort
and Fire Claimants

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re	)	Case No. 19-30088 (DM)
PG&E CORPORATION,)	
	)	Chapter 11
and)	
PACIFIC GAS AND ELECTRIC	)	(Lead Case—Jointly Administered)
COMPANY)	
	)	Objection to [Proposed] Disclosure
Debtors	)	Statement for Debtors' and
	)	Shareholder Proponents' Joint
	)	Chapter 11 Plan of Reorganization
Affects:)	
<input type="checkbox"/> PG&E Corporation)	
<input type="checkbox"/> Pacific Gas & Electric Company	)	Date: March 11, 2020
<input checked="" type="checkbox"/> Both Debtors	)	Time: 10:00 a.m. (Pacific)
	)	Place: United States Bankruptcy
* All papers shall be filed in the Lead)	Court: Courtroom 17, 16th Floor
Case,)	San Francisco, CA 94102
No. 19-30088 (DM).)	
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1 TO THE HON. DENNIS MONTALI, UNITED STATES BANKRUPTCY
2 JUDGE, THE DEBTORS, AND ALL OTHER PARTIES-IN-INTEREST:

3 Lisa Cox; Eric Braun; Kasey Braun; Frank Braun; Katherine Damiani; Ruth
4 Damiani; Braun Damiani Family Trust; Stephen Herrin; The Donald E. Ryckman and
5 Rosemary H. Ryckman Revocable Trust Dated February 25,1999; Stephen Jacobs;
6 Marci Jaobs; Colbi Jacobs; Jack Jacobs; Spencer Jacobs; Stephen T. Jacobs and Marci
7 R. Jacobs 2002 Trust Dated March 27, 2002; Reza Pahlavan; Starlite Vineyards, LLC;
8 Pahlavan Family LLC; Timothy Severt; Dawn Severt; Halcyon Ranch, LLC; J Brand
9 LLC DBA J Brand Cattle Ranch; and Jolene Adele Rich (collectively, "Post-Petition
10 Tort Claimants") hold post-petition tort claims against the Debtors. Specifically, Ms.
11 Cox holds a claim as she was injured in a vehicular accident on February 6, 2019,
12 when the car she was driving she was hit from behind by a truck driven by a PG&E
13 Field Metering Operations Supervisor while working; Ms. Cox suffered significant
14 damages. The remaining Claimants lost homes and other property in the Kincade Fire.

15 Debtors' Disclosure Statement and Plan do not address what will happen with
16 the claims held by the Post-Petition Tort Claimants or how they will be adjudicated.
17 The language that comes closest to addressing this issue is 2.1 of the Debtors' Plan
18 which provides:

19 Administrative Expense Claims. In full and final satisfaction,
20 settlement, release, and discharge of any Allowed
21 Administrative Expense Claim against a Debtor, except to the
22 extent the Debtors or Reorganized Debtors, as applicable, and a
23 holder of an Allowed Administrative Expense Claim against a
24 Debtor agrees to a less favorable treatment of such
25 Administrative Expense Claim, on the Effective Date or as soon
26 as reasonably practicable thereafter, each holder of an Allowed
27 Administrative Expense Claim shall receive, in full and final
28 satisfaction, settlement, and discharge of such Allowed
Administrative Expense Claim, an amount in Cash equal to the
Allowed amount of such Administrative Expense Claim;
provided that any Allowed Administrative Expense Claim that
is not due and payable prior to the Effective Date, shall be paid
by the Debtors or the Reorganized Debtors, as applicable, in the
ordinary course of business, consistent with past practice and in
accordance with the terms and subject to the conditions of any
orders or agreements governing, instruments evidencing, or
other documents establishing, such liabilities.

1 The Plan is also silent as to when lawsuits relating to post-petition tort claims,
2 including vehicular accidents and the Kincade Fire, can be initiated.

3 Post-Petition Tort Claimants propose that the Disclosure Statement and Plan
4 include the language set forth in Exhibit A hereto which is a red line version of the
5 specific areas that would address this issue. Specifically, Post-Petition Tort Claimants
6 request the following additions to the Plan in the places noted in Exhibit A:

7 1. At the end of the first sentence in 1.4 (definition of Administrative
8 Expense Claim): *and (e) any liability arising from a tort occurring after the Petition*
9 *Date, including claims arising from the Kincade Fire.*

10 2. At the end of 2.1 (Administrative Expense Claims): *Debtor's liabilities*
11 *arising from any tort occurring after the Petition Date, including claims arising from*
12 *the Kincade Fire, shall be Administrative Expense Claims that will not be subject to*
13 *discharge under the plan.*

14 3. A new second sentence in 10.3: *The discharge shall not extend to any*
15 *Administrative Expense Claims, including tort claims arising after the Petition Date—*
16 *like claims resulting from the Kincade Fire, which shall remain a liability of Debtor*
17 *and paid as set forth in Section 2.1. Specifically, any and all claimants who have tort*
18 *claims arising from Post-Petition events, such as the Kincade Fire, may proceed to*
19 *liquidate their claim(s) in any court that would otherwise have jurisdiction if the*
20 *reorganization proceeding had not been filed and may do so after the earlier of the*
21 *Effective Date or July 1, 2020.*

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1 The Post-Petition Tort Claimants submit that the foregoing amendments are
2 necessary to clarify the treatment of claimants holding post-petition tort claims against
3 the Debtors.

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6 Dated: March 5, 2020

Respectfully submitted,

GRIMSHAW LAW GROUP, P.C.

7 By: /s/ Matthew W. Grimshaw

8 MATTHEW W. GRIMSHAW

9 Attorneys for Certain Post-Petition Tort
 Claimants

10 Dated: March 5, 2020

ROBINS CLOUD LLP

11 By: /s/ Robert T. Bryson

12 ROBERT T. BRYSON

13 Attorneys for Certain Post-Petition Tort
14 Claimants

EXHIBIT “A”

PG&E Corporation and Pacific Gas and Electric Company, the above-captioned debtors (the “**Debtors**”), certain funds and accounts managed or advised by Abrams Capital Management, LP, and certain funds and accounts managed or advised by Knighthood Capital Management, LLC (together, the “**Shareholder Proponents**,” and, collectively with the Debtors, the “**Plan Proponents**”), as plan proponents within the meaning of section 1129 of the Bankruptcy Code, propose the following joint chapter 11 plan of reorganization pursuant to section 1121(a) of the Bankruptcy Code.¹ Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in Article I of the Plan.

ARTICLE I.

DEFINITIONS, INTERPRETATION AND CONSENTS

DEFINITIONS. The following terms used herein shall have the respective meanings defined below (such meanings to be equally applicable to both the singular and plural):

1.1 2001 Utility Exchange Claim means any Claim against the Utility arising solely from (a) amounts due to the CAISO, PX, and/or various market participants based on purchases or sales of electricity, capacity, or ancillary services by the Utility and other market participants in markets operated by the CAISO and the PX that are subject to determination by FERC in refund proceedings bearing FERC Docket Nos. EL00-95-000 and EL00-98-000 and related subdockets, and (b) amounts due under any settlement agreements, allocation agreements, escrow agreements, letter agreements, other written agreements, or court orders (including orders entered in the chapter 11 case styled *In re California Power Exchange Corporation*, Case No. LA 01-16577 ES) that expressly relate thereto.

1.2 503(b)(9) Claim means a Claim or any portion thereof entitled to administrative expense priority pursuant to section 503(b)(9) of the Bankruptcy Code, which Claim was timely filed and Allowed pursuant to the 503(b)(9) Procedures Order.

1.3 503(b)(9) Procedures Order means the *Amended Order Pursuant to 11 U.S.C. §§ 503(b)(9) and 105(a) Establishing Procedures for the Assertion, Resolution, and Satisfaction of Claims Asserted Pursuant to 11 U.S.C. § 503(b)(9)* [Docket No. 725].

1.4 Administrative Expense Claim means any cost or expense of administration of any of the Chapter 11 Cases arising on or before the Effective Date that is allowable under section 503(b) of the Bankruptcy Code and entitled to priority under sections 364(c)(1), 503(b) (including 503(b)(9) Claims), 503(c), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code that has not already been paid, including, (a) any actual and necessary costs and expenses of preserving the Debtors’ estates, any actual and necessary costs and expenses of operating the Debtors’ businesses, any indebtedness or obligations incurred or assumed by one or more of

¹ The Plan and the Plan Supplement may be amended or supplemented, as necessary, to include relevant information contained in the submissions made by the Utility in connection with the proceeding regarding the Plan currently pending before the CPUC (Investigation (I).19-09-016), including but not limited to certain governance-related commitments.

the Debtors, as a debtor in possession, during the Chapter 11 Cases, including, for the acquisition or lease of property or an interest in property or the performance of services, or any fees or charges assessed against the estates of the Debtors under section 1930 of chapter 123 of title 28 of the United States Code, (b) any DIP Facility Claim, (c) any Professional Fee Claim ~~and~~ (d) any Intercompany Claim authorized pursuant to the Cash Management Order; and (e) any liability arising from a tort occurring after the Petition Date, including claims arising from the Kincade Fire.

1.5 Aggregate Backstop Commitment Amount means the aggregate amount of all backstop commitments, if any, under all Backstop Commitment Letters; *provided*, however, that if the backstop commitments under all Backstop Commitment Letters shall be \$0, then all consent and other rights hereunder shall no longer apply.

1.6 Aggregate Fire Victim Consideration means the aggregate consideration used to fund the Fire Victim Trust of (a) \$5.4 billion in cash to be contributed on the Effective Date, (b) \$1.35 billion consisting of (i) \$650 million to be paid in cash on or before January 15, 2021 pursuant to the Tax Benefits Payment Agreement, and (ii) \$700 million to be paid in cash on or before January 15, 2022 pursuant to the Tax Benefits Payment Agreement; (c) \$6.75 billion in New HoldCo Common Stock (issued at Fire Victim Equity Value), which shall not be less than 20.9% of the New HoldCo Common Stock based on the number of fully diluted shares of Reorganized HoldCo (calculated using the treasury stock method (using an Effective Date equity value equal to Fire Victim Equity Value)) that will be outstanding as of the Effective Date (assuming all equity offerings and all other equity transactions specified in the Plan, including without limitation, equity issuable upon the exercise of any rights or the conversion or exchange of or for any other securities, are consummated and settled on the Effective Date, but excluding any future equity issuance not specified by the Plan) assuming the Utility's allowed return on equity as of the date of the Tort Claimants RSA and reasonable registration rights consistent with the recommendations of the Debtors' equity underwriter and tax rules and regulations; (d) the assignment by the Debtors and Reorganized Debtors to the Fire Victim Trust of the Assigned Rights and Causes of Action; and (e) assignment of rights, other than the rights of the Debtors to be reimbursed under the 2015 Insurance Policies for claims submitted prior to the Petition Date, under the 2015 Insurance Policies to resolve any claims related to Fires in those policy years. For the avoidance of doubt, the Aggregate Fire Victim Consideration shall not include any amounts for the Public Entities Settlement which shall be satisfied from other Plan financing sources but not from the Aggregate Fire Victim Consideration.

1.7 Allowed means, with reference to any Claim or Interest: (a) any Claim listed in the Debtors' Schedules, as such Schedules may be amended from time to time in accordance with Bankruptcy Rule 1009, as liquidated, non-contingent, and undisputed, and for which no contrary proof of Claim has been filed; (b) any Claim or Interest expressly allowed hereunder; (c) any Claim (other than a Subrogation Wildfire Claim) or Interest to which a Debtor and the holder of such Claim or Interest agree to the amount and priority of the Claim or Interest, which agreement is approved by a Final Order; (d) any individual Subrogation Wildfire Claim (not held by a Consenting Creditor or a party to the Subrogation Wildfire Claim Allocation Agreement) to which the Subrogation Wildfire Trustee and the holder of such Claim agree to the amount of such Claim (e) any Claim or Interest that is compromised, settled or otherwise

Support Agreements, the Backstop Commitment Letters, the Subrogation Claims RSA, the Tort Claimants RSA, the Noteholder RSA, or, as applicable, such other plan support agreements, are terminated in accordance with their terms.

ARTICLE II.

ADMINISTRATIVE EXPENSE CLAIMS, PRIORITY TAX CLAIMS AND OTHER UNCLASSIFIED CLAIMS

2.1 Administrative Expense Claims. In full and final satisfaction, settlement, release, and discharge of any Allowed Administrative Expense Claim against a Debtor, except to the extent the Debtors or Reorganized Debtors, as applicable, and a holder of an Allowed Administrative Expense Claim against a Debtor agrees to a less favorable treatment of such Administrative Expense Claim, on the Effective Date or as soon as reasonably practicable thereafter, each holder of an Allowed Administrative Expense Claim shall receive, in full and final satisfaction, settlement, and discharge of such Allowed Administrative Expense Claim, an amount in Cash equal to the Allowed amount of such Administrative Expense Claim; *provided that* any Allowed Administrative Expense Claim that is not due and payable prior to the Effective Date, shall be paid by the Debtors or the Reorganized Debtors, as applicable, in the ordinary course of business, consistent with past practice and in accordance with the terms and subject to the conditions of any orders or agreements governing, instruments evidencing, or other documents establishing, such liabilities. Debtors' liabilities arising from any tort occurring after the Petition Date, including claims arising from the Kincade Fire, shall be Administrative Expense Claims that will not be subject to discharge under the plan.

2.2 Professional Fee Claims.

(a) All final requests for the payment of Professional Fee Claims against a Debtor, including any Professional Fee Claim incurred during the period from the Petition Date through and including the Effective Date, must be filed and served on the Reorganized Debtors no later than sixty (60) days after the Effective Date. All such final requests will be subject to approval by the Bankruptcy Court after notice and a hearing in accordance with the procedures established by the Bankruptcy Code, the Interim Compensation Order, and any other prior orders of the Bankruptcy Court regarding the payment of Professionals in the Chapter 11 Cases, and once approved by the Bankruptcy Court, promptly paid in Cash in the Allowed amount from the Professional Fee Escrow Account. If the Professional Fee Escrow Account is insufficient to fund the full Allowed amount of all Professional Fee Claims, remaining unpaid Allowed Professional Fee Claims will be allocated among and paid in full in Cash directly by the Reorganized Debtors.

(b) Prior to the Effective Date, the Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Reserve Amount. Such funds shall not be considered property of the estates of the Debtors or the Reorganized Debtors. Any amounts remaining in the Professional Fee Escrow Account after payment in full of all Allowed Professional Fee Claims shall promptly be paid to the Reorganized Debtors without any further action or order of the Bankruptcy Court.

(c) No later than ten (10) Business Days prior to the Effective Date, each Professional shall provide the restructuring advisors for the Debtors with an estimate of its unpaid Professional Fee Claims incurred in rendering services to the Debtors or their estates before and as of

9.2 hereof cannot be satisfied and the occurrence of such conditions is not waived pursuant to Section 9.4, then the Debtors shall file a notice of the failure of the Effective Date with the Bankruptcy Court.

9.4 Waiver of Conditions. The conditions set forth in Sections 9.1 or 9.2 may be waived or modified only by the Plan Proponents with the consent of the Backstop Parties holding a majority of the Aggregate Backstop Commitment Amount (such consent not to be unreasonably withheld, conditioned or delayed), without notice, leave, or order of the Bankruptcy Court or any formal action other than proceedings to confirm or consummate the Plan; *provided* that for Sections 9.1(d) and 9.2(b) of the Plan only, the consent of the Requisite Consenting Creditors shall also be required; *provided further* that for Sections 9.1(e) and 9.2(c) of the Plan only, the consent of the Requisite Consenting Fire Claimant Professionals (as such term is defined in the Tort Claimants RSA) shall also be required.

9.5 Effect of Non-Occurrence of Effective Date. If the Effective Date does not occur on or before December 31, 2020, then: (a) the Plan will be null and void in all respects; and (b) nothing contained in the Plan or the Disclosure Statement shall: (i) constitute a waiver or release of any Claims, Interests, or Causes of Action by an Entity; (ii) prejudice in any manner the rights of any Debtor or any other Entity; or (iii) constitute an admission, acknowledgment, offer, or undertaking of any sort by any Debtor or any other Entity.

ARTICLE X.

EFFECT OF CONFIRMATION

10.1 Binding Effect. Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, and subject to the occurrence of the Effective Date, on and after the entry of the Confirmation Order, the provisions of this Plan shall bind every holder of a Claim against or Interest in any Debtor and inure to the benefit of and be binding on such holder's respective successors and assigns, regardless of whether the Claim or Interest of such holder is impaired under this Plan and whether such holder has accepted this Plan.

10.2 Vesting of Assets. Upon the Effective Date, pursuant to sections 1141(b) and (c) of the Bankruptcy Code, all assets and property of the Debtors shall vest in the Reorganized Debtors, as applicable, free and clear of all Claims, Liens, charges, and other interests, except as otherwise provided herein. The Reorganized Debtors may operate their businesses and use, acquire, and dispose of property free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules and in all respects as if there were no pending cases under any chapter or provision of the Bankruptcy Code, except as otherwise provided herein.

10.3 Release and Discharge of Debtors. Upon the Effective Date and in consideration of the distributions to be made hereunder, except as otherwise expressly provided herein, each holder (as well as any representatives, trustees, or agents on behalf of each holder) of a Claim or Interest and any affiliate of such holder shall be deemed to have forever waived, released, and discharged the Debtors, to the fullest extent permitted by section 1141 of the Bankruptcy Code, of and from any and all Claims, Interests, rights, and liabilities that arose prior to the Effective Date. Upon the Effective Date, all such Persons shall be forever precluded and enjoined, pursuant to section 524

of the Bankruptcy Code, from prosecuting or asserting any such discharged Claim against or Interest in the Debtors. The discharge shall not extend to any Administrative Expense Claims, including tort claims arising after the Petition Date—like claims resulting from the Kincade Fire, which shall remain a liability of the Debtors and paid as set forth in Section 2.1. Specifically, any and all claimants who hold tort claims arising from Post-Petition events, such as the Kincade Fire, may proceed to liquidate their claim(s) in any court that would otherwise have jurisdiction if the reorganization proceeding had not been filed and may do so after the earlier of the Effective Date or July 1, 2020.

10.4 Term of Injunctions or Stays. Unless otherwise provided herein or in a Final Order, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date indicated in the order providing for such injunction or stay. The Trading Order shall remain enforceable as to transfers through the Effective Date with respect to those persons having “beneficial ownership” of “PG&E Stock” (as such terms are defined in Trading Order). Accordingly, the Trading Order has no applicability or effect with respect to the trading of stock of Reorganized HoldCo after the Effective Date.

10.5 Injunction Against Interference with Plan. Upon entry of the Confirmation Order, all holders of Claims and Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and affiliates, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan; *provided, that* nothing herein or in the Confirmation Order shall preclude, limit, restrict or prohibit any party in interest from seeking to enforce the terms of the Plan, the Confirmation Order, or any other agreement or instrument entered into or effectuated in connection with the consummation of the Plan.

10.6 Injunction.

(a) Except as otherwise provided in this Plan or in the Confirmation Order, as of the entry of the Confirmation Order but subject to the occurrence of the Effective Date, all Persons who have held, hold, or may hold Claims or Interests are, with respect to any such Claim or Interest, permanently enjoined after the entry of the Confirmation Order from: (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including, any proceeding in a judicial, arbitral, administrative, or other forum) against or affecting, directly or indirectly, a Debtor, a Reorganized Debtor, or an estate or the property of any of the foregoing, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons mentioned in this subsection (i) or any property of any such transferee or successor; (ii) enforcing, levying, attaching (including any prejudgment attachment), collecting, or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree, or order against a Debtor, a Reorganized Debtor, or an estate or its property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing Persons mentioned in this subsection (ii) or any property of any such transferee or successor; (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against a Debtor, a Reorganized Debtor, or an estate or any of its property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing Persons mentioned in this subsection (iii) or any property of any such transferee or successor; (iv) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of this Plan to the full extent permitted by applicable law; and (v) commencing or